



International
Labour
Organization



Tripartite declaration of principles concerning **multinational enterprises** and social policy



**Maximising the positive contribution of business
to socio-economic development and Decent Work
Introducing the MNE Declaration E-Learning Module**

**Report of the Writing Workshop
16-17 May 2013**

- Intergovernmental instruments and frameworks (e.g. OECD Guidelines for Multinational Enterprises, United Nations Global Compact, United Nations Business and Human Rights Framework and Guiding Principles, ISO 26000 on social responsibility)
- Private sector (enterprises, multi-stakeholder initiatives) corporate policies and codes of conduct

- Government Corporate Social Responsibility (CSR) policies (*n.b.* EC CSR policy references the MNE Declaration and other inter-governmental instruments as a guiding international framework for enterprises).

Compared to related instruments, the MNE Declaration offers the distinct added value of a clear focus on labour and socioeconomic policy, highlighting linkages between key areas of Decent Work and clearly outlining the roles and responsibilities of governments, enterprises and employers' and workers' organizations. By clarifying the respective roles of the host government, home government and enterprises in contributing to sustainable development and Decent Work, the MNE Declaration offers guidance which is not laid out elsewhere in international law and may provide solutions where national law does not.

At its March 2013 session ILO Governing Body asked the Office to translate the technical guidance contained in the MNE Declaration into tools that can assist ILO constituents and staff in considering the role and contribution of business to socio-economic development, especially in better implementation of overall ILO priorities and Decent Work Country Priorities as formulated in Decent Work Country Programmes (DWCPs).

Responding to this need, the ILO Multinational Enterprises and Social Policy Programme (MULTI) took the initiative to develop an e-learning tool (module or series of modules) to introduce the key areas of the MNE Declaration, clarify the roles and responsibilities of different actors in contributing to socioeconomic development, provide concrete examples of the application of the MNE Declaration at the country level, and guide the user to additional ILO tools and resources to help apply the recommendations in a meaningful way. This report documents the results of a writing workshop facilitated by the ILO-ITC Delta Service convened from 16-17 May 2013 and to which several ILO technical units actively contributed, to define the concept, objectives and organization of the tool.

1. Concept for the e-learning tool

The e-learning tool will seek to strengthen the engagement of ILO constituents (governments, employers' and workers' organizations) with multinational enterprises with the aim to better harness the potential contribution of MNEs to Decent Work priorities in their country. Concurrently, it will help enable multinational enterprises to engage with constituents based on a framework of common understanding on these priorities. Speaking directly to the needs of its target audiences, the module will introduce a framework for national dialogue around issues related to foreign direct investment (FDI) in countries and the role of business in society.

Based on the guidance provided in the module, users will be led according to their role and interest to additional ILO tools and resources (e.g. fact sheets on interventions by country, capacity building and training activities with the Training Centre of the ILO in Turin, research and technical cooperation projects, tools and resources by topic area) and/or to direct technical assistance provided by the ILO (e.g. the [ILO Helpdesk for Business on International Labour Standards](#), ILO assistance in facilitating national dialogue).

The tool will help address the often existing confusion in the field of corporate social responsibility where many companies have philanthropy-like CSR programmes but fail to link social policy initiatives directly to their business operations, and in which weak government institutions too often face challenges in safeguarding and fulfilling their role with regard to setting the public policy

agenda. The tool will delineate the distinct and autonomous functions of the public and private spheres while identifying potential areas for alignment and synergy as defined in the MNE Declaration.

2. Target audience and areas of interest

The tool will address the following target audiences:

- **Governments**
 - *Composition:* Representatives of the Ministry of Labour, Social Affairs, Employment other ministries that deal with industry and overseas investment (Finance, Planning, but also Investment, Industry, Trade, Agriculture, Mining and others).
 - *Interests:* The Declaration speaks to the role of government in ensuring social returns on FDI, unlike other corporate social responsibility instruments. It can serve as a tool to build national policy coherence and capacity for negotiations (especially in the case of power imbalances), in order to promote labour standards. Specific issues of interest may include: guidance on decisions related to FDI, how to strengthen the rule of law; issues around economic diversification, industrial policy, social protection; roles and responsibilities of different actors in shaping public policies; creation of dialogue platforms; and technical assistance available from the ILO.
- **Multinational enterprises and other enterprises (general)**
 - *Composition:* The strategy would be to reach the top management of enterprises, via their advisers (in departments such as CSR, human resources, communications, legal, government affairs, training and recruitment).
 - *Interests:* Investing responsibly, business linkages with national companies, managing reputation and risk, delivering on performance targets, and knowing the issues to consider in terms of socioeconomic development in the countries of operation.
- **Social partners (Employers' organizations and Workers' organizations)**
 - *Composition:* International Organization of Employers, International Trade Union Confederation, global union federations, national employers' organizations and industry groups, chambers of commerce, trade unions.
 - *Interests:* Informing and strengthening their voice and influence in discussions on the development vision of their country, exchanging with their counterparts from other countries, and fulfilling their roles representing employers and workers in the country (including ensuring the application of law and regulations and holding governments to account on workers' rights - safety, health, minimum wage, etc. based on their responsibilities emanating from the MNE Declaration.)
- **ILO officials**
 - *Composition:* This group would include technical specialists in ILO HQ and in field operations, including employers' specialists, workers' specialists, enterprise specialists, and potentially the members of the envisaged ILO network of MNE focal points.
 - *Interests:* Understanding the impact (positive and negative) of MNEs on development and decent work and how the MNE Declaration can be useful in their activities, including technical assistance programmes, taking into account all five areas of the MNE Declaration).

3. Potential titles for the e-learning tool

Participants in the workshop agreed that the title of the e-learning module should not be the name of the instrument (e.g. E-learning tool on ILO MNE Declaration), but rather reflect the issues it presents or responds to. Potential titles proposed during the writers' workshop include:

- Maximizing the positive contribution of business to socio-economic development and Decent Work
- Making investment perform for Decent Work
- Government, business, and sustainable development: Who is responsible for what, and how to work together

It is suggested that the MULTI unit conducts further internal brainstorming to generate additional titles based on the ones above.

4. Learning objectives of the tool by target audience:

A. Government

At the end of the module, the user will be able to:

1. Outline the five areas of the MNE Declaration and distinguish between the roles and responsibilities of government and multinational enterprises
2. Relate the recommendations of the MNE Declaration to the country context
3. Identify ILO sources in terms of additional information and/or technical support

B. Multinational enterprises and other companies

At the end of the module, the user will be able to:

1. Explain the nature and objectives of MNE Declaration to senior management in the company
2. Differentiate this instrument from other international instruments that aim to guide responsible business conduct
3. Identify three reasons why the instrument is/can be useful for the company
4. Explore additional ILO resources providing more detailed technical guidance on thematic areas relevant for the company

C. Social partners

At the end of the module, the user will be able to:

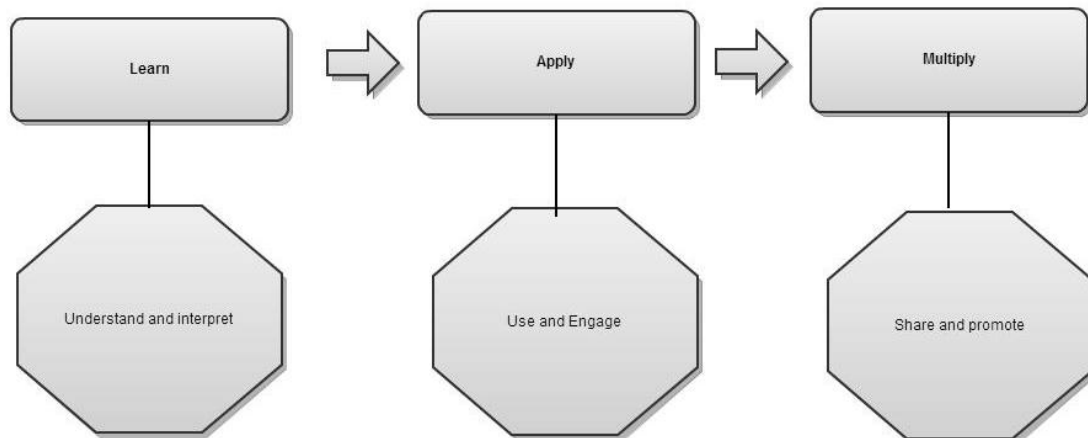
1. Highlight how they can use the MNE Declaration to identify opportunities and boundaries in social dialogue and collective bargaining
2. Use the tool to acquire a seat in the discussions on socioeconomic development at the national level and to hold government accountable for their responsibilities
3. Identify additional ILO resources providing more detailed technical guidance on thematic areas

D. ILO staff:

To be further elaborated

1. Learning architecture

The learning objectives may be organized around the following key areas:



- **Understand and interpret** (be introduced to the five areas of the MNE Declaration, differentiate the MNE Declaration from other instruments, and distinguish between the roles and responsibilities of government and multinational enterprises in socioeconomic development)
- **Use and engage** (apply the guidance provided to the country or company context)
- **Share and promote** (including by identifying additional tools and resources for more detailed guidance)

Given the common first objective and differentiated second objective, there could be one module with various entry points (i.e. everyone reads the same case study and approaches it according to their role) or one brief introductory module to trigger discussion, followed by a “door” leading to a tailored module which the user would enter depending on their role, e.g.:

- Are you a government that is attracting foreign investment and considering implications?
- Are you a company that is considering /making/ reviewing its investment/buying decisions?

A module with issues of relevance would be developed for each target audience. Completing the entire course should take less than one hour. Both the general and the tailored modules could begin with a story as a “hook.” Possibilities presented included the case of Michelin’s divestment of a rubber plantation in Brazil (which has been mapped to 17 points of the MNE Declaration), or videos/simulations of a government debate about attracting or a boardroom debate on managing risk and reputation.

2. Content

A. For government should include:

- 1) Learning Objective 1 (Outline the five areas of the MNE Declaration and distinguish between the roles and responsibilities of government and multinational enterprises): an outline of the five areas of Declaration, focused on the role of governments in each of the five areas, should be provided. Key messages for government are broken down below.

1.1. General Policies:

Key messages for governments in this section are:

- Governments are urged to ratify the Conventions listed in par. 9 of the MNE Declaration and ensure equality of treatment between multinational and national enterprises
- All governments should promote good social practice; home governments should have due regard for labour law, regulations and practice in host countries and relevant International Labour Standards; and both home and host governments should actively promote consultations between home and host countries.

1.2. Employment:

- In reference to employment promotion, in par. 13 and 14, the e-learning tool should help government officials understand what an active employment policy is (a box could appear with the Instruments listed in pg. 14 plus products developed such as the step by step policy guide from the Employment Policy Department)
- With regard to equality of opportunity and treatment, (par. 21, 22 and 23), the module should help government officials identify what discrimination entails (a practical example could be used to identify characteristics of a policy that could imply either direct or indirect discrimination)
- With regard to security of employment, the key is to enable the understanding of what security in employment implies. This section could use two case studies: one on mechanization in agriculture, illustrating what type of policies governments can institute to protect small farmers from competition with MNEs in the sector in terms of training schemes; the second on the mining sector, illustrating the impact of a mining operation that exits a locality, leaving the local economy with few employment options and non-transferable skills (the focus is on policies aimed at providing income protection).

1.3. Training:

- The section on training (mainly par. 29) should be closely aligned to that on employment (i.e. national training policies adapted to economic needs and targeted to sectors with economic growth potential). Useful examples here could be the cases of Liberia, in which a skills programme is bridging gaps in agriculture (IPEC example) and Brazil, where employers contribute to financing public vocational training institutions, which on the one hand enables better targeting of vocational

training schemes and on the other strengthens public institutions. These cases could be shown as short animated videos or short narrated case studies.

1.4. Conditions of work and life:

- Subsection on wages, benefits and conditions of work: It is important to address wages also in relation to gender equality; a key message to convey to business is on the need to provide equal pay for work of equal value
- In terms of wages (par. 34), it would be useful to explain the difference between the minimum wage and a living wage and showcase efforts by governments in defining these
- In regards to par. 35, examples in this section could include clauses in investment accords to ensure that lower income groups and less developed geographical areas benefit from the activity of MNEs
- In terms of the subsection on the minimum age for admission to employment or work (par. 36) it is key to reinforce that different age groups require different types of protection (i.e. children and youth). Relevant examples are those of Cote d'Ivoire in which a certain type of work has been prohibited for youth between certain ages. Also, there are multiple examples in Latin America and Africa of the tripartite definition of the minimum age to work
- In regards to the subsection on safety and health (par. 37, 38, 39 and 40), the message aims at stimulating a preventive approach. This is an opportunity to showcase the work of the ILO in this regard, for example the OSH country profiles, that governments can use to put in place an adequate scheme or policy, codes of practice, etc. A box could appear with ILO resources on this area. It is also important to highlight the role of labour inspection, particularly as a responsibility of governments. Finally, it was also discussed that market based approaches can provide incentives for both employers and workers to strengthen and promote OSH. Practical examples in this regards are those of social protection in El Salvador and OSH in South Africa. The key question to be addressed through examples is how to strengthen safety and health authorities at the national level.

1.5. Industrial relations :

- With regard to freedom of association and the right to organize, the key point here is how to put in place actions to strengthen workers' and employers' organizations (par. 45, 48). An example could be provided as an animation, in which the representative of an international workers' organization for example is denied entry into a country. Then, a positive example can follow from exchanges between international and national workers' representatives and why they are a good means of strengthening organizations at the national level.
- With regard to collective bargaining, a key message for governments is the need to provide information at the request of workers' organizations on the industries in which the enterprise operates (par. 56)

- In regards to the examination of grievances (par. 58), it is key that governments put in place adequate frameworks for dispute settlement.

2) Learning Objective 2 (Relate the recommendations of the MNE Declaration to the country context): the provision of examples and cases relating the contents of the MNE Declaration will ease relating its recommendations to the country context of government members following the e-learning module, e.g.:

- An MNE is starting operations in a country or sector: what measures can a government put in place to help protect workers in this sector (eg agriculture) who will face increasing competition?
- What can be done when a mining company closes an operation in a locality – issues the government should consider include diversification and unemployment benefits for workers whose employment has been terminated among others.
- What policies and regulations can be put in place to maximize the benefits of foreign direct investment in less developed areas?

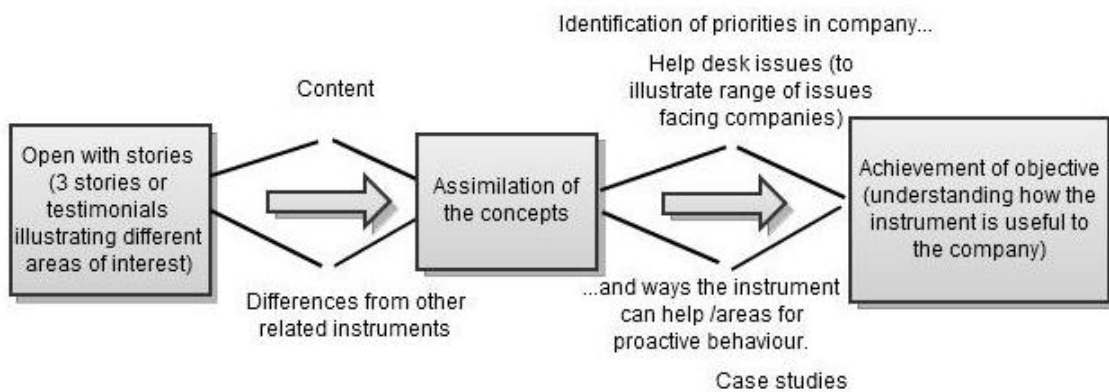
This can also be achieved by providing a **visual assessment matrix** that government officials can use to identify policies currently in place and the gaps in the legislative and policy framework. This checklist or assessment matrix can in turn be used to foster tripartite and tripartite plus dialogues.

3) Learning Objective 3 (Identify sources of additional information for technical support): a slide can appear with further resources and technical assistance the ILO can provide under each one of the five areas of the MNE Declaration.

B. The content for enterprises should include:

- An outline of the differences between the MNE Declaration and other instruments. Issues to cover:
 - The MNE Declaration focuses on labour issues in more depth than any other instrument; it emphasizes the labour dimension of sustainable development and the contribution of business in this respect.
 - ILO is the authority on international labour standards (other instruments reference the MNE Declaration and International Labour Standards).
 - The instrument, endorsed by tripartite constituents around the world, also sets boundaries for expectations as it distinguishes between roles and responsibilities of governments and companies.
- Means to help companies with challenges that they may face in countries of operations (directly or when sourcing from).
 - For example, some countries there is an inadequate protection of workers in the law or weak enforcement of the law affecting the supply chain of MNEs (the Bangladesh case could be approached from the perspective of government's role in ensuring both multinational and national enterprises provide adequate safety and health standards for their employees).

The following flow was proposed for the module for enterprises:



Case study shared in the workshop: Using the MNE Declaration in Zambia – Sustainable enterprises in Zambia Mining Sector Project (currently piloting)

In Zambia, copper mining is a key sector in the economy with a limited number of major players. There is a widespread perception in society that the mining sector is insufficiently contributing to socio-economic development, growth, and wealth creation in the country.

During a recent roundtable meeting with the major copper mining companies – convened through the Chamber of Mines and facilitated by the ILO- mining companies expressed that they were respecting the stipulations of the concession agreements, and even making social contributions beyond the terms of the agreements (especially through community-related CSR programmes). From their perspective, there were misplaced expectations from government and society about the roles and responsibilities the mining companies should take on. On the other hand, it appeared that since the early period of privatization in Zambia when the concession agreements were granted, the expectations of government have grown in terms of what the mining companies should give back to Zambia. There is a perceived need for the mining companies to contribute more to the national development priorities and Decent Work challenges of the country such as skills development and job creation, and a perceived need for the government to create an enabling environment for local business to grow, including in other sectors of the economy and to create business linkages.

Hence the recognized need for a broader dialogue among all partners involved - first between government and social partners and then including representatives of the multinational enterprises - in order to clear up misperceptions about roles and better align private contributions to national development/Decent Work priorities. The MNE Declaration can provide a broader platform for such a dialogue, as a normative framework about public and private contributions to development as an alternative to engagement around one sensitive issue, and clarifying the contributions of government and enterprises based on internationally agreed norms.

3. Mapping of resources to inform content development (listing in progress)

- [MNE Declaration](#)
- [ILO Helpdesk website for Business, especially the tools and resources webpages](#)
- [NORMLEX information system on national labour standards](#)
- [NATLEX country profiles database](#)
- [Decent Work Country Profiles](#)
- [OECD](#)
- [UNCTAD](#)
- [International Instruments and Corporate Social Responsibility. A booklet to Accompany Training on the Labour Dimension of CSR: from Principles to Practice](#)

Gender equality:

- [Good practices on gender equality by government, employers and workers](#)
- [Conclusions concerning gender equality at the heart of decent work, ILC, 2009](#)
- [Equality and non-discrimination at work in East and South-East Asia: Guide](#)
- [Equality at work: tackling the challenges. Global report under the follow-up to the ILO Declaration on fundamental principles and rights at work, 2007](#)
- [Participatory gender audit](#)
- [Training manual on equal pay for work of equal value](#)
- [Breaking through the glass ceiling](#)

Child Labour:

- [Guidelines for the Development of National Action Plans Against Child Labour](#)
- [Employers' Guide on the Elimination of Child Labour - Step by step guide](#)

Social Protection:

- [Social Protection Inquiry](#)

4. Timing

The delivery date of the e-learning tool in English is end 2013. Additional resources will be required for the production in other languages, where the aim is to have the module at least available in French and Spanish.

Dissemination and evaluation

The e-learning tool will be part of other awareness-raising and capacity-building activities that MULTI is currently developing in response to the Governing Body's decisions on the promotional activities on the MNE Declaration.

Delivery channels for this e-learning tool would include:

- Training sessions with companies (as a “table-setter” to segue into other thematic areas and related tools and resources) and through the ILO Helpdesk for Business on International Labour Standards
- Cooperation with other inter-governmental organizations (OECD, OHCHR, UN Global Compact)
- Work with governments on enabling environment (other UN agencies could be leveraged to reach relevant ministries beyond the Ministry of Labour).
- Training for ILO staff and constituents on what is driving the whole CSR industry, in order to highlight the ILO’s specific stance on the issue.

For evaluation purposes, amongst other parameters, the views of the module can be monitored. In addition, a litmus test of the module’s effectiveness in delivering on its objectives will be how many users viewed the module and then clicked on the additional resources to which they were directed.

A dissemination and evaluation strategy will be further elaborated by the ILO and the Turin Centre.